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1. FRANCE SEEN FORCING MAJOR CRISIS IN SUEZ BY MID-SEPTEMBER

France's determination to press the Suez issue to a climax raises the strong possibility of a very serious crisis about mid-September, in the view of the Amer-

ican embassy in Paris. In its present mood, France will not be satisfied with a partial and camouflaged Egyptian retreat and fears prolonged negotiations will permit Nasr to get away with his coup.

The embassy believes that unless Nasr yields far more than seems probable in his reply to Secretary Dulles' plan, Paris will insist that the work of the fivenation committee in Cairo is finished and will bring strong pressure for immediate and drastic sanctions.

Ambassador Dillon believes that the French attitude may be based on the general view that the USSR would not respond forcibly to an Anglo-French attack on Egypt.

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Since the London conference, the French government has taken military and economic steps to improve its ability to exert pressure on Nasr, and Premier Mollet apparently has almost unanimous non-Communist backing for this policy. Implementation of extreme measures probably will depend on the extent of active British support. Thus far the two countries appear to have closely co-ordinated their military and economic pressure tactics against Egypt.

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4. WEST GERMANS MAY BACK DOWN ON 18 MONTH CONSCRIPTION TERM 25X1A

A leading member of Chancellor Adenauer's Christian Democratic Party (CDU) says his party will have to drop its support of an 18-month

conscription term for its armed forces or lose the 1957 election to the opposition. The American embassy in Bonn comments that, although the government still favors 18 months, the CDU is now likely to try to take credit for advocating a shorter term. Meanwhile, the chairman of the Bundestag Defense Committee, a CDU member, has supported a compromise plan whereby basic troops, such as the infantry, would serve 12 months and specialists, 18 months.

The CDU spokesman said there is no longer any possibility of preventing the law setting the term for conscription from being presented to the Bundesrat. and that there is insurmountable resistance in the Bundesrat to the 18-month term.

Comment

The conscription bill was pushed through both houses in July without any specification as to length of service, with the idea that the Bundesrat could probably be bypassed and a law setting a term of 18 months pushed through the Bundestag after it reconvenes in September, by the CDU's own majority. Since July, the West German public has been confused by speculation over the status of conventional armed forces, and Adenauer's position on the need for conscription has been undercut.

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25X1A	The official Soviet news agency TASS has announced that two nuclear weapons tests occurred on 25 and 30 August and that other tests will be held for the	
	purpose of improving existing nuclear weapons and develop- ing new types of weapons.	
	TASS claimed that the fall-out of radio- active material was reduced by the Soviet practice of detonating the weapon "at a considerable height" and by using "the smallest possible quantity of active material." The statement reiterated previous Soviet proposals for a ban on nuclear weapons and tests and cited recent US and British tests as a justification for the current. To Soviet series.	
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	Announcement of these tests follows closely President Eisenhower's recent criticism of Soviet secrecy. The danger from fall-out to neighboring countries implied in the President's statement probably induced	
	25X1A the Soviet announcement's emphasis on safety measures.	

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7. NEGOTIATIONS FOR SOVIET AID TO INDONESIA SUSPENDED

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Ivan Semichastnov, the leader of the Soviet delegation conducting negotiations in Djakarta for Soviet economic and technical assistance to Indonesia,

reportedly WIII leave for Moscow on 3 September. Semichastnov's return to Moscow will give Bulganin and Khrushchev the opportunity to be briefed during the Indonesian president's visit there, and the USSR may hope to include a reference to Soviet aid in a joint statement at the end of Sukarno's visit. Meanwhile, negotiations have been suspended.

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Recently, the deputy chief of the Indonesian negotiating team stated that the talks had been moving at a slow pace because of a lack of understanding of each other's problems. Prime Minister Ali, moreover, told the American ambassador that neither party has yet made any specific proposals, confirming other information that each side has been waiting for the other to take the initiative.

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